

Massive graft uncovered in Public Works

Officials, companies colluded to milk the state

By **Thabo Mokone and Sipho Mabena**

The Department of Public Works is approaching the high court in an attempt to claw back more than R1.2-billion from tenderpreneurs in over-stated payments and other irregular transactions in the government lease portfolio.

Dubbed "the department of tenders" by its minister Thulas Nxesi, Public Works is also in moves to recoup another R296-million from landlords who leased exaggerated or non-existent parking lots to other government departments.

The information was disclosed by Nxesi and his acting director-general Imtiaz Fazel, along with Advocate Andy Mothibi – the head of the Special Investigating Unit (SIU), which had probed irregularities in the government multi-billion building lease and property construction portfolio.

"We've recorded R1.2-billion worth of possible recoveries on matters that are coming up in civil courts," said Fazel.

"We also have a number, as of today, of R296-million, where we're offsetting payment to landlords on a monthly basis of overpayments that were made in the past because of parking bays that did not exist or square metres that were signed-up for, and a lease agreement was not there when we leased the building as well as incorrect rates for square meters that was utilised," he said.

The SIU has uncovered massive fraud and corruption amounting to billions of rands in the department, including civil servants doing business with the state, ghost leases, overcharging and misrepresentation of leased space.

The corruption-busting unit's first proclamation covering 2003 to 2014 found that the department overpaid for leased spaces, paid for nonexistent and dilapidated buildings as well as unneeded parking bays in at least 90 leases.

In total, the proclamation uncovered 22 leases that were left to run though they had lapsed, which are referred to as "ghost leases".



Imtiaz Fazel, Thulas Nxesi and Andy Mothibi during the Public Works and SIU joint media briefing in Hatfield, Pretoria, yesterday. /SIYABULELA DUDA

The SIU has referred 81 matters to the department for recovery of R265-million overpaid for leased space, with fingered landlords having signed acknowledged statements of debt of R591 000.

Also uncovered were lease procurement irregularities amounting to R807-million, which the SIU has identified for civil proceedings for possible recovery.

Mothibi said there were also criminal cases pending in courts in connection with the graft.

In the second proclamation, covering 2003 to 2010, the value of irregular and wasteful expenditure amounted to R13-million as well as fraud and corruption amounting to R2-billion that is currently being pursued in the courts for recovery.